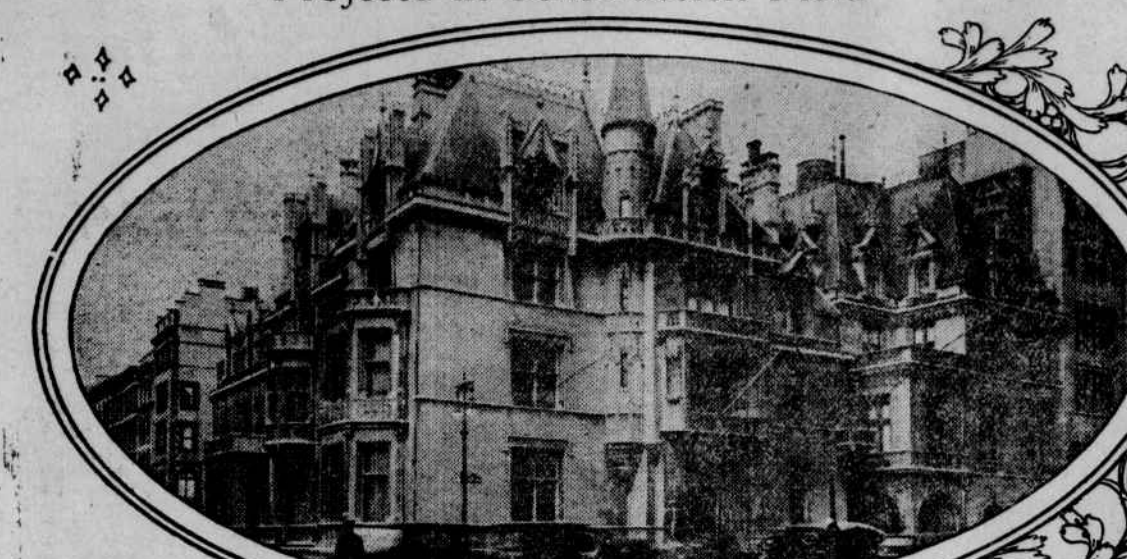


# REASCENDING THE PEAKS OF THE PAST YEARS' TRADING

The New York Herald's Committee of Experts Goes Back Over Real Estate Records of 1920 and Picks Leading Sales and Leases and Outstanding Projects in Construction Field



**MOST IMPORTANT UPTOWN SALE.. PURCHASE OF THE WILLIAM K. VANDERBILT MANSION AT 54th AVENUE AND 52nd STREET BY THE EMPIRE TRUST CO.**

It is never an easy task to make an accurate and intelligent survey of the conditions prevailing in any particular business for an entire year. Nor can it be said to simplify matters when that survey must be accompanied by a rigorous process of elimination in which eleven conscientious minds are endeavoring to reach an unbiased conclusion. This, however, was the kind of a job that THE NEW YORK HERALD's committee of eleven experts tackled when it began combing the real estate and building records of the year 1920 to pick out the leading transactions from the mass of the year's business.

To begin with, the committee was forced to go back over the activities in the various territories covered with minute care. Then before deciding upon the relative importance of the major transactions a definite plan had to be decided upon for testing the intrinsic value of these deals. The actual amount of cash involved in a deal was not the sole measure of its importance. Other factors had to be taken into account, such, for instance, as the probable effect upon the locality in which the deal was made, as well as the character of the improvements, if any were contemplated. By carefully applying these rules to each particular case under discussion the committee, after several meetings held in the governors' room of the Real Estate Board of New York at 217 Broadway, reached the following verdict:

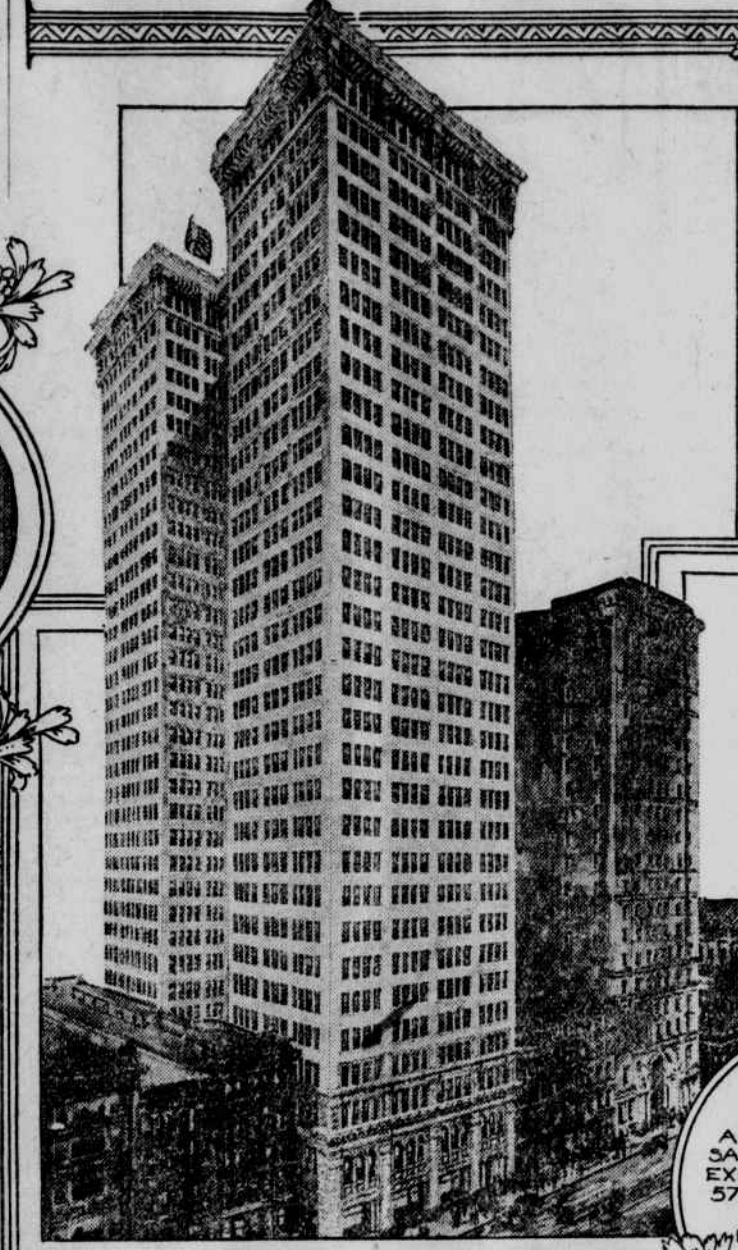
**Most important sales in New York city:**  
Downtown—Adams Building, at 57 to 61 Broadway, extending through to 33 to 41 Trinity place.  
Downtown—Mills Building, at 11 to 21 Broad street.  
Uptown—The so-called Buckingham property, covering the entire block front on the east side of Fifth avenue from Forty-ninth to Fiftieth street, with the exception of the Democratic Club.

**Outstanding building projects actually under way in New York city during 1920:**  
Loft Construction—Cooperative buildings for garment manufacturers under way on Seventh avenue between Thirty-sixth and Thirty-eighth streets.  
Office Building—Heckscher "Cathedral of Commerce," now being erected at the southwest corner of Fifth avenue and Fifty-seventh street.  
Apartment House—The Sherry Co-operative structure, in process of erection on a site covering the entire block front on the west side of Park avenue from Forty-ninth to Fiftieth street.

**Among the big downtown leases first place was given to the deal involving the Mills Building at 11 to 21 Broad street, acquired by J.P. Morgan and Co. for a term of 84 years.**

Two leasing suburban sales: W. Bourke Cockran's country estate of 316 acres at Fort Washington, L. I., bought by J. S. Corden of Corden & Co., oil refiners.  
Cedar Court, Otto H. Kahn's estate at Morristown, N. J., sold to syndicate of Philadelphia physicians.  
Details of the committee's selections

in the building field and in suburban areas will be found elsewhere in this section together with pictures showing the properties involved. The committee which picked the properties for THE NEW YORK HERALD was composed of the following men, all experts in their lines:  
Stephen H. Tyng, president of the Real Estate Board of New York and president of the Stephen H. Tyng, Jr., Company, Inc.; Laurence McGuire, who served as president of the Real Estate Board for five successive terms from 1913 to 1918 and now an official of several real estate owning corporations and a director or trustee in several



**COMMITTEE'S FIRST CHOICE AMONG THE DOWNTOWN SALES, THE ADAMS EXPRESS BUILDING AT 57 TO 61 BROADWAY BOUGHT BY ROBERT E. DOWLING, ROBERT S. MORGENTHAU and OTHERS.**

banking institutions; Joseph P. Day, real estate auctioneer and broker; Bryan L. Kennelly, auctioneer and broker, head of Bryan L. Kennelly, Inc.; Charles F. Noyes, head of the Charles F. Noyes Company; Albert B. Ashforth, of Albert B. Ashforth, Inc., also a former president of the Real Estate Board; Frederick G. Hobbs, president of the firm of Slavson & Hobbs; Lawrence Robert E. Simon, president of the firm of Pease & Egan; Joseph Patena, president of Patena Brothers, Inc., builders, and J. E. R. Carpenter, architect, builder and real estate owner. Arthur K. Mack, advertising manager of the Joseph P. Day organization, acted as secretary of the committee.

The committee found little difficulty in awarding the honors in the downtown selling field. There was no other sale in the lower city that



**UPTOWN THE BIGGEST LEASE WAS THAT OF PRACTICALLY THE WHOLE BLOCK FRONT ON THE EAST SIDE OF 54th AVENUE FROM 49th TO 50th STREETS BY SAKS and CO. FOR 105 YEARS.**

lessees, will make the old ten story structure over into an office building of thirty or more stories, in accordance with plans already filed by Trowbridge & Livingston.  
The lease was negotiated personally by Mr. Morgan with Ogden Mills. It covers a period of twenty-one years, with two renewals for a like period, making a total of eighty-four years. The Mills Building adjoins the handsome marble home of the Morgan firm at the southeast corner of Wall and Broad streets and was acquired by the lessees partly to provide for future business expansion and also for investment purposes.  
The leasing of the Buckingham property on Fifth avenue between Forty-ninth and Fiftieth streets was the offshoot of another notable transaction in which the United Cigar Stores Company acquired, also under lease, the Saks company's present home in the block front on the west side of Broadway from Thirty-third to Thirty-fourth streets for a long period at a rental ap-

proximating \$11,000,000. This lease, negotiated by L. J. Phillips & Co. for the owner, the Morewood Realty Holding Company, forced the Saks company to go out into the market in search of a favorable site for a new building to take the place of their present home when the lease on the latter has expired in about four years.  
The Saks company secured its new site from the George Kemp Realty Company, the lease covering a total period of 105 years and involving a total rental of about \$35,000,000. The property embraces 611, 613, 615, 617, 619 and 621 Fifth avenue. The Buckingham Hotel, one of the oldest hostelrys in the city, will come down as a result of the deal.  
The Belgrave will also be razed to make possible the building of a modern department store, which will contain twice the amount of space as the one now occupied by the Saks company. Construction will start on October 22. Elias Sniffen and Henry Mandell, proprietors of the Belgrave, conducted the negotiations for the leasing company.

## ECONOMIC POSITION OF MARKET SOUND

But City's Growth Is Being Checked by Building Impasse, While Usurers Fight Mortgage Tax Exemption

By JOHN L. PARISH.

Secretary Advisory Council of Real Estate Interests.

IN a retrospective view of the market for real property in New York city there is little room for pessimism. Probably never before in the history of the city has improved property been so profitable or so strongly held. That it has scored its greatest advance in market value in any single year will not be denied. Its economic position is correspondingly stronger than ever before, and there seems nothing in sight to challenge a continuous advance along these lines for many years to come.

These things were foreseen by practical observers of international conditions two years ago when the United States at the close of the world war took first place in economic conditions and relations among all the nations of the earth. That made of New York city the most desirable place of consequence on the face of the earth in which to live and work and achieve and enjoy. The people of the earth have begun to realize this important fact, and from every direction they are coming and knocking for admission at the gates of the metropolis.

This is what has created for improved real property in New York a demand greater by far than the supply—greater than anything hitherto known. For over two years it has been increasingly apparent that the city's growth in population and plant has been retarded, because the building industry has not been and is not now producing in volume to meet this ever increasing demand.

**Do Not Injure Improved Property.**  
These are the facts of the situation at this time of the calendar year. They do not affect the economic position of improved property injuriously, for the demand is insistent and under it rents must continue to advance and values to rise to the point where competition from other cities shall begin to check them, or until the building industry shall begin to produce in quantity commensurate with the demand.

Not, I take it, until the building industry shall be released from the economic bondage in which it has been held during all the period of reconstruction since the end of the world war. There

guaranty companies, who of all men know best and most about the financing of real estate and building operations, are united in the conviction that the exemption of the income from mortgages of not to exceed \$40,000 in principal amount in individual ownership will not only not seriously diminish the revenues of nation or State but will turn a stream of money back into the mortgage market sufficient in volume to meet every legitimate demand of the building industry. This is the purpose of the bill now before the Finance Committee of the Senate and the Ways and Means Committee of the House and known as the Calder-Siegel bill. They have received the endorsement of the Merchants Association and the Chamber of Commerce of this city, of the New York State Association of Real Estate Boards, the Brooklyn and Philadelphia Real Estate exchanges and of every builders' association of the country by which they have been considered.

### New York Needs Surplus Buildings

The people whose interests are most concerned with the enactment of these bills are the people who live and do business in rented quarters (which includes, of course, all merchants and manufacturers as well as wage and salary earners) and the builders and producers of building materials. Buildings, industrial and residential, constitute the plant with which a civilized people carries on. They are the essential in the orderly growth and development of any city. If they are undersupplied growth and industry are restricted and costs of all necessities of life increased.

New York, the foremost city of the world, should always have on hand a surplus of usable housings for domestic and industrial uses. Only thus can the city grow and expand, her industries thrive and prosper. It will take many years of capacity production for the building industry, functioning under the most favorable conditions, to bring the supply of housings up to parity with the demand. To continue to interpose such obstacles as have been indicated to the free functioning of this foremost of all industries is to cling to the shadow while rejecting the substance of real economic growth.

### Montclair Has Good Year.

Sales of property in Montclair for the year 1920 have been the largest in the history of the suburban town. F. M. Crawley & Bros. estimate the total turnover in property for the year to be \$4,000,000. With few exceptions, the purchases have been confined to private residences.  
The aggregate of new building in Montclair for the year amounts to \$1,000,000, and the total assessable value is \$4,000,000.

## Building Harvest in Little Wall St.

By DOUGLAS L. ELLMAN.

Most people if asked what financial and commercial centre in the United States was second to Wall Street would begin to think of Chicago, Boston, Philadelphia or other large cities, when as a matter of fact it exists in New York itself, with Forty-second street and Madison avenue as its habitat.

Radiating from this point, the past year has seen one of the greatest developments that has ever taken place in New York. With the acute shortage of space which existed in the spring, a great number of new projects were launched. This included the tremendous Madison Avenue Offices, being erected by the Christian Science Church, on a large plot of land comprising most of the westerly side of Madison avenue between Forty-third and Forty-fourth streets, and running deep into the block. Part of this site was formerly occupied by the old St. Bartholomew's Church.

Of equal importance is the improvement of the Milbank property on the northeast corner of Forty-second street, and Madison avenue, through to Forty-third street, on which is being erected a twenty-two story building by the Winchester-Liggett-Lay interests.

### Some Transformations Noted.

The taking over of the Manhattan Hotel for reconstruction into an office building by the National City Company; the new Borden building, under construction on the southwest corner of Forty-fifth street and Madison avenue; the addition of twelve stories by the New York Central to the Mail and Express Building, occupying the block bounded by Lexington avenue, Depue place, Forty-fifth and Forty-sixth streets; the new French Building at the northwest corner of Forty-first street and Madison avenue; the R. W. Strauss Bank building on the old Windsor Arcade plot at the northeast corner of Forty-seventh street and Fifth avenue; the new Miller Building at the northwest corner of Forty-sixth street and Fifth avenue, where Thayer's formerly stood; the completion of the alteration to the old Sherry building by the Guaranty Trust Company at Forty-fourth street and Fifth avenue, have all increased the office space available in this great centre by an enormous total.

Undoubtedly this supply of space will attract from the downtown district many large concerns who did not find it necessary to be in that more congested and expensive location, and the coming of these concerns will bring the banks and other corporations affiliated with them. While it is true, due to the reverses in the industrial world and depression in the financial world, there may be for a limited period an oversupply of office space thrown on the market at one time, it will be absorbed more readily than most people imagine from the present outlook.

Other important transactions in this section, looking to new construction in the near future, involved the sale of a

substantial portion of the Grand Union Hotel site opposite the Grand Central Station to the Bowers Savings Bank and the purchase of the entire plot, previous to this, by a syndicate headed by Henry Mandell. Undoubtedly the remaining portion of this site will be improved with a tall business structure before many months pass. The lease of the Depue Building, adjoining the Borden Trust Company on the southeast corner of Forty-second street and Fifth avenue, with an outlet on Forty-second street, foreshadows improvement in the near future. Plans are under way also for a large addition to the Commodore Hotel on the vacant block to the north of the present structure, and Mr. Catts's purchase of the Grand Central Palace for alteration into an office structure will mark the advance of commercial buildings in this direction. Mr. Catts has had plans drawn for an addition to the Grand Central Palace on the small block to the west of the Borden Trust Company on the southeast corner of Forty-second street and Fifth avenue, with an outlet on Forty-second street, foreshadows improvement in the near future. Plans are under way also for a large addition to the Commodore Hotel on the vacant block to the north of the present structure, and Mr. Catts's purchase of the Grand Central Palace for alteration into an office structure will mark the advance of commercial buildings in this direction.

### Luxurious Apartment Ventures.

The upper building, to be known as 300 Park avenue, is also of the tenant-ownership type, as a large portion of the sum necessary for its construction was subscribed by a group of men who desired to have a voice in the control of the building which was to be their home.

These two buildings will contain restaurants which will be the peer of anything yet developed in the city. Almost the entire first and second floors in each building will be devoted to that purpose. At No. 290, Pierre, the well known restaurant now operating in the Home Club, at 15 East Forty-fifth street, will locate, while at No. 200 Louis Sherry will again fill the place which no one else could fill since he gave up his Forty-fourth street and Fifth avenue restaurant.

The new construction of commercial and apartment structures, in what is generally referred to as the Grand Central zone, will total close to \$100,000,000, and will so alter the aspect of this territory that a native New Yorker, coming back to the city in 1921 after an absence of two years would scarcely recognize it. The importance predicted for it has been accomplished, and its stability is now unquestioned.

## PESSIMISM MUST YIELD TO TIDE OF RISING VALUES

### DOWNTOWN REALTY VALUES ARE SOUND

Supply Is Limited in Contrast With Other Commodities.

Says C. F. Noyes.

By CHARLES F. NOYES.

Underlying conditions in downtown real estate are better than at any time for ten years. Property generally speaking is strongly held. Mortgage loans have been reduced and even mortgage money is now available for the first time in three years for those who require it. During the last few years much downtown property has been acquired by merchants and corporations for their own homes. On the lower east some near Fulton street, Maiden Lane, Old Slip, Wall street, and at around the Battery, along Broad street and on lower Broadway this buying movement has been very great. In some important blocks nearly every property has changed and in very many a majority of the properties have been sold for occupancy.

Downtown New York real estate is different from any other commodity. It is limited in amount. The best has already been selected and taken from the market and that remaining is diminished yearly by every purchase made. It is not a commodity that can be compared with cotton, wool, coffee, tea, sugar, leather or anything else that can be put away in warehouses, hoarded up, "cornered" or temporarily withheld from the purchasing public for speculation.

It is a commodity with no equal in value or true worth if properly selected and judiciously purchased. It is also a commodity that cannot be consumed. Its value is continually increasing and its ultimate worth can only be judged by the final influence, prestige and growth of this great metropolis. Downtown real estate values are fixed, certain and increasing because the big banking interests, the exchanges, trust companies, insurance companies and corporations have bought for occupancy and permanency. There may be a slight cessation of speculative buying around the first of the year and a temporary lull in the "buying for occupancy" movement due to the decline in commodity prices, but the one outstanding fact is that those who have purchased well located downtown property at a proper price now possess an asset that is not falling away in value as commodities are crumbling, and sad experience with other investments is daily making converts to the value of realty for investment and speculation. No other asset is as desirable or as safe for investment for permanent value.

### Panorama of City's Growth Shows Current of Progress Has Overcome All Obstructions in the Form of Depressed Market Conditions

By HARRY HALL.

of William A. White and Sons.

EXPERIENCE has taught me that people generally have very short memories and exercise meagre powers of observation. This accounts for the tone of pessimism that begins to manifest itself whenever a temporary depression in real estate activity occurs. It seems impossible to secure a valuation of the fact that, unlike stocks and bonds, for instance, the value of real estate is not permanently or even seriously affected by the frequent fluctuations in business affairs, but that these, as applied to real estate, may be properly compared to the ripples caused by the varying winds on the surface of a river, which, while they disturb the surface, do not interrupt the steady flow of its current.

For there is a current in real estate that has always moved in one direction, at some times and places rapidly and excitedly, at others steadily and noiselessly; at still others with "such a tide as moving seems asleep," and sometimes with eddies and backwaters that appear to reverse it, but in the long run it is always forward.

To appreciate this one has but to look back over any chosen period in almost any inhabited part of the world, for in the final analysis it is increase in population, with its attendant industry and commerce, that gives value to real estate. Applied particularly to New York, such a retrospect will be found to be full of interest and instruction.

In the first 200 years of its existence, counting from 1624, the population of the territory included in New York city grew from a small handful of settlers to about 150,000 inhabitants. At that time the city itself occupied the portion of Manhattan Island below Canal street, all its business being conducted on the lower East Side streets, with Pearl street, then the waterfront, as its main business artery, and its fashionable residences clustered around Bowling Green, along lower Broadway.

By 1840 the population had risen to nearly 400,000, and the northward march had carried the city blocks well up toward Union Square. People of fashion were beginning to feel the pressure of business and were deserting the lower part of town for the quieter neighborhood along upper Broadway, in and around Bond street and the vicinity of Washington Square.

Twenty years later, in 1860, the numbers had nearly tripled, and the growth of population to almost 1,200,000 had caused an advance of solid residence blocks very close to Forty-second street. The Crystal Palace then occupied the site of the present Bryant Park, and was considered the northerly limit of the city. A well known print of 1815 showing the view from Forty-second street gives an instructive idea of the city at that time. It was in the 60's that the foundation of the Hoffman fortune was laid by the purchase at auction of lots in the block bounded by Forty-second street and Forty-third street, Fifth and Sixth avenues.  
By 1880 the population had almost reached the two million mark, and the lines of dwelling houses on Manhattan Island had moved north to about Fifty-ninth street. At this time the wholesale business district was confined almost entirely below Astor place. The centre of the retail section was along Fourteenth street, extending down Broadway to Eighth street, and up Broadway and Sixth avenue to Twenty-third street. Booth's Theatre, at Twenty-third street and Sixth avenue, was the most northerly playhouse, the others being clustered around Union Square, the south side of which was then called "Rialto," and was the "Gay White Way" of its day, though without electric lights.  
Broadway was still innocent of street cars, three lines of stages running from the ferries to Twenty-third street, above which point Broadway seemed to be of importance. From Madison Square to Fifty-ninth street was almost entirely a residential district.  
Up to this time in its history New York had been dependent entirely upon horse power for its local transportation, and its growth was limited to the effective radius of the street car or stage. In 1880 the elevated lines were completed and a rapid northward building movement set in which by 1900 had closed the gap between the city proper and the suburb of Harlem and extended well beyond.  
In 1880 there were few imposing